



Department of Defense  
Service-Disabled Veteran-  
Owned Small Business  
Strategic Plan



**In accordance with Section Two of Presidential Executive Order 13360, and  
in order to significantly increase contract and subcontract award  
opportunities for Service-Disabled Veteran-Owned Small Businesses, the  
undersigned Senior Level Executives hereby issue and publish this  
Strategic Plan for the United States Secretary of Defense.**

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DATE: \_\_\_\_\_  
The Honorable Michael W. Wynne  
Under Secretary of Defense for  
Acquisition, Technology & Logistics

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DATE: \_\_\_\_\_  
Frank M. Ramos, Director  
Office of Small & Disadvantaged  
Business Utilization



**Agency Strategy:** The Department of Defense (DoD) long-term strategy is a five (5) year plan to significantly increase contracting and subcontracting opportunities for Service-Disabled Veteran-Owned Small Businesses (SDVOSBs). The six (6) objectives of the strategic plan outline DoD's approach to meet the plan's goal.

The term "objective," when used in this plan, is the equivalent of the term "element" used in Executive Order 13360.

This plan supports OUSD (AT&L) goals four and six.

The plan will be reviewed and adjusted annually.



## Objectives of Strategic Plan

Increase:

- ✓ Number of SDVOSBs in Central Contractor Registration (CCR)
- ✓ Training and outreach of acquisition community to increase use of sole source and restricted competition
- ✓ SDVOSB participation in the Mentor-Protégé Program
- ✓ Large prime subcontracting awards to SDVOSBs
- ✓ Surety bonding capacity for SDVOSBs with construction and environmental remediation NAICS Codes
- ✓ Teaming agreements and joint ventures to enhance capacity and capability of SDVOSBs



**Goal: Strengthen Opportunities in Federal Contracting and Subcontracting for Service-Disabled Veteran-Owned Small Businesses (SDVOSBs)**



**Objective 1: Increase number of SDVOSBs in Central Contractor Registration (CCR)**

**Description:**

- Collaborate with veteran service organizations (VSOs) to increase the supplier base of SDVOSBs in CCR for use by contracting officers and DoD prime contractors

**Impact:**

- The broadened supplier base will provide program managers, contracting officers and large prime contractors with an enhanced market analysis tool

**Schedule:**

**FY 05** Reconciliation of VA and DoD databases of SDVOSBs in CCR

**FY 05 and out years** Continue coordinated data sharing with VA and VSOs

**FY 05** Encourage VSOs to assist in registration of SDVOSBs in CCR by October of each year

**FY 06** Reconcile data with interested VSOs

**FY 06 and out years** Annual analysis and review of all SDVOSBs in CCR by industry

**Impediment:**

- Lack of understanding and knowledge by organizations and individual SDVOSBs of prerequisite to register in CCR

**Accomplishments:**

**Nov 04-Mar 05** SADBU has established an *ad hoc* liaison to share information and establish working relationships with VSOs

**Near Term Actions [90 days]:**

**Apr 05** Coordinate with Veterans Task Force to develop data sharing strategies with VA and VSOs on SDVOSBs

**Apr 05** Collaborate with VA and VSOs to assist unregistered SDVOSBs to register in CCR

**Jun 05** Register SDVOSBs in CCR at National Veterans Small Business Conference, June 20-22, 2005 via hotlink on SADBU's SDVOSB webpage

**Jun 05** Encourage military services and Other Defense Agencies (ODAs) to register SDVOSBs at their conferences and to add CCR hotlink to websites



**Goal: Strengthen Opportunities in Federal Contracting and Subcontracting for Service-Disabled Veteran-Owned Small Businesses (SDVOSBs)**



**Objective 2: Training and outreach of acquisition community to increase use of sole source and restricted competition**

**Description:**

- Collaborate with Defense Procurement and Acquisition Policy (DPAP) to inform senior level acquisition community leadership of final rule in FAR 19.14
- Coordinate with DPAP to inform acquisition community of training opportunities
- Coordinate with Defense Acquisition University (DAU), military services and ODAs on training opportunities for acquisition community
- Encourage military services and ODAs to initiate credible and aggressive metric based, sole-source and restricted competition awards to SDVOSBs
- Encourage large DoD Prime contractors to subcontract with SDVOSBs
- Include in the military service's and ODA's annual reports the number of personnel trained in FAR 19.14

**Impact:**

- Create an acquisition workforce that is knowledgeable about the FAR 19.14

**Impediments to Completion:**

- None

**Accomplishments:**

**Oct 04** DoD held familiarization outreach on E. O. 13360 at Annual Small Business Training Conference

**Oct 04** SADBU, DPAP, Army and DAU collaborated and completed online training module

**Dec 04** DoD SADBU addressed Army Corps of Engineers Annual Small Business Conference on E.O. 13360

**Mar 05** DoD addressed SBLO conference on SDVOSB

**Schedule:**

**FY 05** OSD, military services, and ODAs will provide training and outreach at three annual conferences

**FY 05 and out years** Mentor-Protégé conference (March)

**FY 05 and out years** National Veterans Small Business Conference (June)

**FY 05 and out years** DoD Small Business Training Conference (October)

**FY 05 and out years** Military service's and ODA's Annual plans shall include use of DAU Online SDVOSB training module

**FY 05** Establish Outreach and Training Working Group with military services, ODAs, SADBUs and DPAP

**FY 05 and out years** Update DAU training module with DAU and incorporate into relevant electronic training modules

**Near Term Actions [90 days]:**

**Apr-Jun 05** DLA and Air Force to conduct outreach and training on SDVOSBs

**Apr-Jun 05** Placement of FAR 19.14 and Mentor-Protégé *interim* rule on SADBU website

**Jun 05** National Veterans Small Business Conference, June 20-22, 2005 will have training on use of sole source and set-aside awards under final rule of March 18, 2005



## Objective 3: Increase SDVOSB participation in DoD Mentor-Protégé Program

### Description:

- Collaborate with military services and ODAs to develop an initiative to fund select SDVOSBs for consideration in Mentor Protégé Program (MPP)

### Impact:

- Accelerate protégé capabilities as a supplier for DoD industrial base
- Bring SDVOSBs into industrial base mainstream

### Impediments to Completion:

- Publication of *Interim* DFARS Rule

### Accomplishments:

**Nov 04** Large defense mentor initiated contact with SADBU to increase participation of SDVOSBs in their subcontracting plan

**Dec 04** SADBU collaborated with DPAP to accelerate the publication of the DFARS *interim* rule to allow SDVOSBs to participate in the DoD MPP

**Mar 05** SADBU invited SDVOSB candidates to MPP Conference on March 15-17, 2005

**Mar 05** Invited potential SDVOSB protégés to attend National Veterans Small Business Conference, June 20-22, 2005

**Mar 05** Placed MPP panel on agenda for National Veterans Small Business Conference, June 20-22, 2005

### Schedule:

**FY 05** Publication of *Interim* DFARS rule

**FY 05** Final agreements between SDVOSB protégés and mentors

**FY 05** DoD National Veterans Small Business Conference to train SDVOSBs with panel on MPP

**FY 05** SDVOSB Mentor-Protégé agreements accepted

**FY 05** Recognize first group of SDVOSB Mentor-Protégé agreements allowable under *Interim* DFARS rule

**FY 06** Publish final MPP DFARS rule

**FY 06 and out years** Continue SDVOSB participation in MPP

### Near Term Actions [90 days]:

**Mar-Jun 05** Follow up with first group of potential SDVOSBs who attended MPP Conference on March 15-17, 2005

**Mar-Jun 05** Invite and register SDVOSBs to National Veterans Small Business Conference, June 20-22, 2005

**Jun 05** Conduct panel discussion on SDVOSBs participation in MPP

**Sep 05** Publicize first SDVOSB Mentor-Protégé agreements since passage of the MPP amendments



## Objective 4: Increase large prime contractor subcontracting with SDVOSBs

### Description:

- Collaborate with six selected DoD large prime contractors by identifying a pool of qualified SDVOSBs and matching them with subcontracting opportunities
- Negotiate increased SDVOSB subcontracting goals with the selected prime contractors
- Use the data and techniques developed above to negotiate subcontracting goals with all prime contractors

### Impact:

• Increase the dollar amount of SDVOSB subcontracting for prime contractors

- Availability of qualified SDVOSBs to meet large prime contractor subcontracting goals

### Accomplishments:

**Oct 04** SADBUs collaborated with Defense Contract Management Agency (DCMA) to initiate plan for large prime contractors to provide subcontract opportunities for SDVOSBs

**Nov 04** SADBUs developed strategy for including SDVOSBs in large prime contractor comprehensive subcontract plans

**Dec 04** SADBUs approached by large prime contractor to develop a plan for SDVOSB subcontracting plan to use as a model for other large DoD prime contractors

**Mar 05** SADBUs initiated action plan with DCMA and VA to increase subcontracting with large DoD prime

### Schedule:

**FY 05** DCMA assumed lead responsibility for this objective

**FY 05** DCMA will provide to SADBUs potential pool of SDVOSBs that can meet DoD prime contractor subcontracting needs

**FY 05** DCMA will select six DoD prime contractors to participate

**FY 05** DCMA will provide pool of qualified SDVOSBs to DoD prime contractors to match their needs and satisfy their goals

**FY 06** DCMA will negotiate increased SDVOSB subcontracting goals with selected DoD prime contractors as part of annual subcontracting plan negotiations

**FY 06 and out years** SADBUs and DCMA will provide ~~near term actions [90 days]~~

**Apr 05** DCMA will match the VA database of SDVOSBs with SDVOSBs that have other DoD contracts

**Apr-May 05** DCMA will identify SDVOSB subcontract opportunities for select DoD large prime contractors

**Apr 05** DCMA will notify select DoD prime contractors of pool of qualifiable SDVOSB subcontractors

**May 05** SADBUs and DCMA initiate plan with select large DoD prime contractors

**Jun 05** SADBUs and DCMA will present plan at panel with select DoD large prime contractors on June 20, 2005

**Sep 05** Plan will be tested in time to use in



## **Objective 5: Increase Surety Bonding Capacity for SDVOSBs in Construction and Environmental Industries to meet anticipated set aside solicitations**

### **Description:**

- Increase the capacity for bid bonds, payment bonds and performance bonds for SDVOSBs to increase contracting and subcontracting awards for anticipated set-aside solicitations under DFARS

### **Impact:**

- Accord acquisition community more latitude for set-aside solicitations to allow SDVOSBs to compete for larger awards

### **Impediments to Completion:**

- Market forces have reduced the amount of bonding capacity at all levels -- large prime construction contractors, as well as small primes and subcontractors
- Several Treasury listed bonding companies have ceased to write surety bonds

### **Accomplishments:**

**Jan 05** SADBUs coordinated meeting on market forces with prime contractor of Pentagon Renovation (Pen Ren), its subcontractor, a small business trade association, bonding agents and DoD officials

**Jan 05** SADBUs was appointed chair of a federal interagency working group for SDVOSBs to lead an initiative to increase bonding capacity for small firms

**Mar 05** At MPP Conference, SADBUs introduced firm with excess bonding capacity to SDVOSB to explore use of its excess bonding capacity

### **Schedule:**

**FY 05** Initiate plan by fusing Bonding Tiger Team with Army Corps of Engineers (COE) "construction strategy" Tiger Team

**FY 06** Coordinate with SBA and Office of Advocacy to solicit support for increased bonding capacity

**FY 05** Convene Roundtable with large DoD prime construction firms and their sureties to present report and analysis, discuss problem, and develop a plan to solve it

**FY 05** Meet with DoD large prime construction firms and their sureties to plan outreach events from Roundtable results

**FY 06** Conduct outreach events with COE to implement

### **Near Term Actions [90 days]:**

**FY 06** Develop performance metrics to measure progress

**Apr 05** Initiate fusion with COE and send Pen Ren

**Feb 06 and out years** Submit annual reports to AT&L on

**May 05** Derive benefits of COE field hearings

**May 05** Form "Bonding Tiger Team" for action plan with:

- ✓ Pen Ren *ad hoc* group, Army, Navy, Air Force
- ✓ SDVOSB Federal Interagency Working Group
- ✓ Veterans Task Force representative
- ✓ Large primes and sureties representatives
- ✓ SBA Office of Advocacy
- ✓ COE "Procurement and Implementation Tiger Team"

**May 05** Convene Bonding Tiger Team Roundtable to discuss report and strategies to increase bonding capacity

**Jun 05** Integrate Tiger Team plan with COE "construction strategy" for \$20 billion solicitations for



## Objective 6: Use Teaming Agreements and Joint Ventures to enhance capacity and capability of SDVOSBs

### **Description:**

- Encourage the use of teaming and joint venture agreements to enhance capacity and capability of SDVOSBs to successfully bid on larger contracts for prime contracting and subcontracting

### **Impact:**

- Provide acquisition community, under set-aside authority, teaming and joint venture models with enhanced capability and capacity to allow SDVOSBs to compete for larger prime contracts and subcontracts

### **Schedule:**

**FY 05** Complete in-house study of SDVOSB teaming and joint venture agreements in federal contracting and subcontracting

**FY 05** Develop training for acquisition officials and for SDVOSBs

**FY 05** Develop “Teaming and Joint Venture White Paper” to brief senior acquisition officials

**FY 06** “Go-no go” on use of teaming agreements

**FY 06** FAR changes, if necessary

**FY07 and out years** Continue training

### **Impediments to Completion:**

- Reluctance of acquisition community to accept small business teaming and joint venture agreements for use in federal contracting and subcontracting

### **Accomplishments:**

**Mar 05** Analyzed training marketplace for teaming and joint venture agreements for federal contracting and subcontracting

**Apr 05** SADBU attended two day seminar on “Teaming Agreements and Advanced Subcontracting Issues” to establish “train the trainer” capability for DoD

### **Near Term Actions [90 days]:**

**Apr-Jun 05** Collect and review materials on teaming and joint venture agreements, federal contracting, and subcontracting for “train the trainer” capability

**Jun-Sep 05** Present teaming and joint venture materials at National Veterans Small Business Conference, June 20-22, 2005.

**Sep 05** Transmit “White Paper” to senior acquisition staff for spring briefing



## Other E.O. 13360 Requirements

- **Publication of Plan:**

When the strategic plan is approved by the Secretary of Defense or his designee, it will be published on the DoD SADBU website and other DoD websites and transmitted to SBA

- **Additional duties assigned to DoD:**

SADBU, DPAP and DAU completed online training module under Section 5 of Executive Order 13360



# Department of Defense Service-Disabled Veteran- Owned Small Business Strategic Plan Acronyms



- AT&L - Acquisition, Technology and Logistics
- CCR - Central Contractor Registration
- COE - Army Corps of Engineers
- DAU - Defense Acquisition University
- DLA - Defense Logistics Agency
- DoD - Department of Defense
- DFARS - Defense Federal Acquisition Regulation Supplement
- DPAP - Defense Procurement and Acquisition Policy
- E.O. - Executive Order
- FAR - Federal Acquisition Regulation
- MPP - DoD Mentor Protégé Program
- NAICS - North American Industry Classification System
- ODA - Other Defense Agencies
- OUSD - Office of the Under Secretary of Defense
- PEN REN - Pentagon Renovation
- SADBU - Small and Disadvantaged Business Utilization
- SBA - Small Business Administration
- SBLO - Small Business Liaison Officer
- SDVOSB - Service-Disabled Veteran-Owned Small Business
- SECDEF - Secretary of Defense
- VA - U.S. Department of Veteran's Affairs
- VSO - Veteran Service Organization